

**Actions Affecting Major State Tax, License and Fee Estimates
and Estimates of Net Available State General Fund Revenue**

2013 Regular Session

Instrument	Description	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
SESSION ACTIONS - REVENUE							
Sales Tax - General							
Act 396 Regular Session HB 682	Expands the exemption for precious metals and numismatic coins over \$1,000 to all purchases of these items, regardless of purchase price.		(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)
Act 300 Regular Session HB 75	Exempts the purchases by the St. Bernard Project, Inc. for home construction materials.		(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
Act 425 Regular Session HB 653	Reduces the vendor compensation rate allowed to be retained by vendors for timely remittance of sales tax, from 1.1% to 0.935%. Results in more remittance to the state (with a small effect in vehicle sales tax as well).		\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000
Corporate Income & Franchise Tax							
Act 423 Regular Session HB 571	Modifies the Enterprise Zone program to (a) remove part-time jobs from eligibility (\$300,000 in FY14), (b) raising the employment requirements for participants outside of zones (no estimate of effect), and (c) disqualifies large retail participation (100+ employees) except for groceries and pharmacies located zones (\$500,000 in FY14). Applicable to new and renewal applications	\$300,000 \$500,000	\$625,000 \$1,000,000	\$625,000 \$2,000,000	\$625,000 \$3,000,000	\$625,000 \$4,000,000	\$625,000 \$4,000,000
Act 141 Regular Session HB 255	Expands Enterprise Zone eligibility for the South Market District development in New Orleans to allow 300 residential units (from 200), and changes the retail space requirement to 20,000 square feet (from 15% of the facility). This is the third modification of the EZ program to fit the parameters of the development.				(\$278,000)	(\$255,000)	
Act 341 Regular Session SB 37	Allows a 5-year net operating loss carryback (rather than 3 years) for losses associated with Hurricane Issac. Can only work to generate greater refunds than would otherwise occur. Capped at \$800,000 per year of state revenue exposure and contingent upon a similar federal benefit being granted.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 304 Regular Session HB 151	Renews tax credits for businesses in the Cane River Heritage Area Development Zone through 2018. Credits of \$1,500 per year for five years plus \$1,500 per employee.			DECREASE	DECREASE	DECREASE	DECREASE
Act 431 Regular Session SB 122	Modifies the port investor credit and the import/export cargo credit in anticipation of utilization of these credits. State exposure to the investor credit is an accumulating exposure at a rate of \$6.25 million per year. Exposure to the cargo credit is \$6.25 million per year, but only on incremental cargo growth.			DECREASE	DECREASE	DECREASE	DECREASE

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Act 263 Regular Session HB 630	Extends the 25% tax credit for rehabilitation of historic structures for commercial purposes, through 2017. Makes other minor changes to program.				(\$5,000,000)	(\$10,000,000)	(\$15,000,000)
Act 428 Regular Session HB 705	Modifies the solar electric/thermal tax credit program, with an emphasis on constraining the costs to the state of the leased systems. Cuts the credit for leased systems from 50% to 38%, and phases down the allowable system size over time. Removes apartments and wind systems, and ends program in FY18.			\$1,700,000	\$5,000,000	\$9,400,000	\$11,900,000
Act 197 Regular Session HB 483	Extends infrastructure component of the credit through 2021 for qualifying projects located on higher education campuses; essentially a capital outlay financing subsidy of 25% of project expenses. In addition, the existing program is extended for spending that occurs through 2014.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Individual Income Tax							
Act 271 Regular Session SB 197	Renews the tax credits for expenses of rehabilitating certain owner-occupied historic residential structures. Credits are 25% to 50% of costs, limited to \$25,000 per structure. Renewed for 2016 and 2017.				(\$300,000)	(\$300,000)	(\$300,000)
Act 385 Regular Session HB 358	Renews tax credits for sound recording expenses (25% credit for spending over \$15,000; capped at \$3 million per year). Extended through 2019, with the spending threshold lowered to \$5,000.				(\$300,000)	(\$300,000)	(\$300,000)
Act 427 Regular Session HB 681	Limits the types of electric vehicles eligible for the alternative fuel vehicle tax credit, and removes ethanol from eligible fuels. These limitations are expected to have only a very small effect, but can only work to constrain program costs.			INCREASE	INCREASE	INCREASE	INCREASE
Excise License Tax (premium tax)							
Act 265 Regular Session HB 726	Provides another \$25.750 million of state New Markets tax credits. Credits are available to be realized against premium tax liabilities over four years.		(\$7,700,000)	(\$7,700,000)	(\$4,675,000)	(\$4,675,000)	
Total Adjustments To Major State Tax, License And Fee Estimates		\$0	(\$2,725,000)	(\$200,000)	\$1,247,000	\$1,670,000	\$5,100,000

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SESSION ACTIONS - DEDICATIONS							
Telecommunications Fund For The Deaf							
Act 300 Regular Session HB 75	Dedicates to the Telecommunications Fund For the Deaf state sales tax receipts collected from sales of telecommunications services.		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Reactivization of Stabilization Fund Mineral Revenue Deposits							
Act 420 Regular Session HB 452	Terminates statutory provisions that have prohibited excess mineral revenues from being diverted into the Budget Stabilization Fund, and away from the state general fund. These provisions are null and void on July 1, 2015. General fund exposure is based on current mineral revenue forecasts and balances of the Stabilization Fund. Once filled to its maximum in FY16, no further diversions occur unless the calculated maximum balance increases and/or a withdrawal from the fund occurs.				\$330,000,000		
Dedication of Fraud Initiative Receipts							
Act 420 Regular Session HB 452	Directs the treasurer to transfer state general fund monies in excess of \$3 million generated by fraud initiatives to the Overcollections Fund. The Revenue Dept. is to identify these amounts. These monies would otherwise be accounted for as tax collections, and this bill effectively dedicates those collections. The general appropriations bill anticipates \$20 million of these receipts. Effective for FY14.						
					Any monies designated under this provision essentially constitutes a dedication of general fund receipts. To the extent such designations occur, they will be treated as a dedication of baseline receipts resulting in a reduction of revenue available to support state general fund direct appropriations.		
Adjustments To Dedications of Major State Tax, License, and Fee Estimates		\$0	\$1,000,000	\$1,000,000	\$331,000,000	\$1,000,000	\$1,000,000
TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST		\$0	(\$3,725,000)	(\$1,200,000)	(\$329,753,000)	\$670,000	\$4,100,000
OTHER ITEMS OF INTEREST							
Act 421 Regular Session HB 456	Provides a tax amnesty program with three amnesty periods: 2013, 2014, and 2015. Incentives to participate are heavily weighted to the first period (2013) where 100% of penalties and 50% of interest are waived. In period two (2014) no interest is waived and only 15% of penalties are waived. In period three (2015) no interest is waived and only 10% of penalties are waived. The last amnesty program was offered in 2009, generating a large amount of collections (\$483m) and prohibiting dispute on issues resolved by the amnesty for three tax years (immediately preceding this new program). Collections are highly uncertain.		INCREASE	DECREASE			
Act 399 Regular Session HB 629	Establishes a centralized debt collection program within the Revenue Dept. State agencies, the Revenue Dept., and the Attorney General are all still involved in debt collection, but a more centralized process is established with additional enforcement tools. Interaction with the amnesty program of Act 421 is uncertain, but the debt collection program could work to at least accelerate collections.			INCREASE	INCREASE	INCREASE	INCREASE